

## **We are ... Michigan. Economy.**

### **Taxes paid**

**\$40.6 million**

- More than 3.8% of McDonald's revenues, and more than 4.1% of their total expenses, for business taxes, licenses, and payroll taxes
- Overall, McDonald's spends nearly \$40.6 million on these taxes, or more than \$111,220 per day (these expenditures do not include state and federal income taxes on profits)
- Payroll taxes alone make up \$25.7 million, or more than \$70,280 each day (these funds are used to support contributions to the future benefits of employees as well as enhance state and federal programs)
- The average restaurant spends nearly \$28,410 on business taxes and licenses, and nearly \$48,770 on payroll taxes – combined, these expenses averaged more than \$210 per day, and accounted for more than 4.1% of total expenses

### **Purchases from Michigan suppliers**

**\$443.5 million**

#### **Largest in-state suppliers:**

- Butterball Farms	Grand Rapids
- Cargill/Herbruck	Ionia
- Cargill/Sunny Fresh Foods	Lake Odessa & St. Clair
- C.F. Burger Creamery	Detroit
- Conagra Dairy Foods	Holland
- Country Fresh / Dean Foods	Grand Rapids & Shelby
- Georgia Pacific / Trinity	Kalamazoo
- H&K Norwood	Rochester Hills
- Jefferson Diversified	Detroit
- McCormick & Company	Benton Harbor
- M&M St. Johns	St. John
- Michigan Sugar	Bay City & Sebawaing
- Minute Maid	Paw Paw
- Peterson Farms / Hess Foods	Shelby
- Pinnacle Foods	Imlay City

#### **Largest in-state agricultural purchases for use by McDonald's restaurants:**

- Sugar	102.0 million pounds
- Corn	78.8 million pounds
- Eggs	69.5 million dozens
- Pickles	37.5 million pounds
- Apples	20.6 million pounds
- Beef	17.8 million pounds
- Milk	6.9 million gallons
- Blueberries	4.5 million pounds

### **Multiplier effect of McDonald's employment and expenditures for wages and benefits**

- Creates an additional 51,680 jobs and drives more than \$644.8 million in spending
- That means on the average, each restaurant creates an additional 98.3 jobs in the state and more than \$1.2 million in spending



Source: Study conducted by Dennis H. Tootelian, Ph.D.  
Professor of Marketing and Director of the Center for  
Small Business, California State University at Sacramento  
\* All data current as of December 31, 2008

## **We are ... Michigan. Jobs.**

### **McDonald's employees in Michigan**

**32,300**

- Individual restaurants employ approximately 61 people in operations and restaurant management positions
- Wages and benefits consume more than 31.9% of McDonald's revenues

### **Wages for restaurant operating staff and managers**

**\$267 million**

- Individual restaurants spend nearly \$507,595 on wages, or more than \$1,390 per day (25.1% of each restaurant's revenues)
- The average McDonald's spends nearly \$128,325 on manager and support staff salaries
- Expenditures for wages grew at a rate of more than 2.0% annually over the last three years on an individual restaurant basis

### **Benefits for restaurant operating staff and managers**

**\$72.4 million**

- Benefit expenses averaged about \$137,605 per year, or nearly \$380 per day
- The average McDonald's spends about \$51,330 on benefits
- Combined, wages and benefits consume more than 31.9% of the average McDonald's restaurant's sales
- Employee benefits (which include sick leave, vacations, insurance, etc.) take 6.8% of revenues
- Payroll taxes take more than 2.4% of revenues

### **Career opportunities**

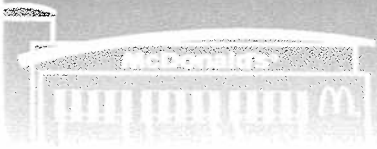
- 70% of restaurant managers, 50% of McDonald's corporate staff and 30% of Owner Operators started as restaurant crew
- The average McDonald's employs more than 3.7 people in career positions
- Nearly 1,970 people, or nearly 6.1% of McDonald's employees, are employed in management and support staff positions
- McDonald's also prides itself on offering career opportunities to younger people since about 58.0% of the restaurant managers are 35 years of age or younger

### **Diversity**






- Women comprise nearly 61.5% of those employed by McDonald's, representing a labor force of more than 19,860 people
- Women occupied about 61.4% of the operations staff positions, 46.2% of the support staff positions, and 66.1% of the restaurant management positions
- Overall, nearly 1,230 women occupy about 60.0% of the career positions in McDonald's
- There are employee networks and mentoring programs that support all diverse groups within McDonald's



*Source: Study conducted by Dennis H. Tootelian, Ph.D.  
Professor of Marketing and Director of the Center for  
Small Business, California State University at Sacramento  
\* All data current as of December 31, 2008*



# McDonald's **Benefit Offerings** for Crew Employees

Benefit	Short description	Value for our employees
<b>McDonald's Insurance Program</b> 	<p>Employees can choose from a variety of benefits including:</p> <ul style="list-style-type: none"><li>• 3 limited medical options, plus comprehensive plan option for many employees</li><li>• dental coverage</li><li>• vision coverage</li><li>• term life insurance</li><li>• short-term disability</li></ul> <p>* all coverage except STD, available in single/family</p>	<ul style="list-style-type: none"><li>• First dollar coverage (no deductible) for doctor's office visits, retail clinic visits, and prescription drug coverage for a low co-pay</li><li>• Provides coverage for basic healthcare needs for a very affordable premium</li><li>• Includes extensive education materials to assist employees in understanding the value of healthcare and how to use it.</li></ul>
<b>McResource Line</b> 	<ul style="list-style-type: none"><li>• Confidential Employee Assistance Program (EAP) that provides assistance on several issues including:<ul style="list-style-type: none"><li>• Childcare and eldercare</li><li>• Financial planning, credit counseling, debt</li><li>• Assistance with housing and transportation</li><li>• Assistance identifying and accessing resources in the employee's community</li></ul></li><li>• Available to employees 24 hours a day, seven days a week, 365 days a year.</li></ul>	<ul style="list-style-type: none"><li>• Assists employees with issues that might otherwise keep them from being able to work (i.e., finding affordable childcare, finding reliable transportation, etc.).</li><li>• Assists the employee in dealing with personal issues (tutoring for children, legal issues, ESL/SSL)</li></ul>
<b>Gold Card</b> 	<ul style="list-style-type: none"><li>• Provides employees with special discounts to over 60 national retailers.</li><li>• A meal discount (outside of work hours) may also be included.</li></ul>	<ul style="list-style-type: none"><li>• Provides a discount on everyday purchases such as haircuts, shoes, clothing and cell phones.</li><li>• Saves the average employee over \$520 per employee per year (excluding any available meal discount).</li></ul>
<b>Financial Education</b> 	<ul style="list-style-type: none"><li>• Exclusive financial education program developed just for McDonald's employees that focuses on educating employees on topics such as how to set a budget and how to start saving for the future.</li><li>• The program includes a budget journal, a customized financial website, and an educational video.</li></ul>	<ul style="list-style-type: none"><li>• Over 407,000 Practical Money Skills Budget Journals have been distributed to McDonald's employees.</li></ul>
<b>Other Benefits</b> 	<p>In addition to the benefits above, several other benefits are available to all employees:</p> <ul style="list-style-type: none"><li>• 10% discount at select, national childcare centers</li><li>• Discount on computers and electronics, including Apple, HP, and Lenovo</li><li>• National Employee Scholarship Program</li><li>• Financial Planning discount with Ameriprise</li><li>• Ability to join the Corporate America Credit Union</li><li>• Ability to purchase McDonald's stock through McDirect Shares</li></ul>	<ul style="list-style-type: none"><li>• These benefits are available to employees at no cost and add to the total compensation package that employees receive when working at McDonald's</li></ul>

## McDonald's in Michigan\*

The average McDonald's restaurant in Michigan generated more than \$2.0 million in sales in 2008, or about \$5,540 every day of the year. This means that in 2008, on the average, every resident of the state spent about \$105.41 in a McDonald's.

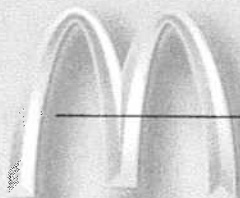
Restaurants in Michigan	533
– Company-operated	23%
– Operated by independent owner/operators	77%
Owner/operators in Michigan	112
McDonald's employees in Michigan	32,300 (approximately)
Purchases from Michigan suppliers	\$443.5 million
Largest in-state suppliers:	
– Butterball Farms	Grand Rapids
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– Apples	20.6 million pounds
– Beef	17.8 million pounds
– Milk	6.9 million gallons
– Blueberries	4.5 million pounds

### Ronald McDonald House Charities programs:

- Ronald McDonald Houses: Ann Arbor, Detroit, Grand Rapids, Lansing
- Grants
- Donation boxes at restaurants
- Local and national fundraisers



Source: Study conducted by Dennis H. Tootelian, Ph.D.  
Professor of Marketing and Director of the Center for  
Small Business, California State University at Sacramento  
\* All data current as of December 31, 2008



## McDonald's Core Values

### **We place the customer experience at the core of all we do**

Our customers are the reason for our existence. We demonstrate our appreciation by providing them with high quality food and superior service, in a clean, welcoming environment, at a great value. Our goal is Quality, Service, Cleanliness, and Value for each and every customer, each and every time.

### **We are committed to our people**

We provide opportunity, nurture talent, develop leaders and reward achievement. We believe that a team of well-trained individuals with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential to our continued success.

### **We believe in the McDonald's System**

McDonald's business model, depicted by the "three-legged stool" of owner/operators, suppliers, and company employees, is our foundation, and the balance of interests among the three groups is key.

### **We operate our business ethically**

Sound ethics is good business. At McDonald's we hold ourselves and conduct our business to high standards of fairness, honesty, and integrity. We are individually accountable and collectively responsible.

### **We give back to our communities**

We take seriously the responsibilities that come with being a leader. We help our customers build better communities, support RMHC, and leverage our size, scope and resources to help make the world a better place.

### **We grow our business profitably**

McDonald's is a publicly-traded company. As such, we work to provide sustained profitable growth for our shareholders. This requires a continuing focus on our customers and the health of our system.

### **We strive continually to improve**

We are a learning organization that aims to anticipate and respond to changing customer, employee and system needs through constant evolution and innovation.



## **We are ... Michigan. Communities.**

### **Local community spending**

**\$502.1 million**

- McDonald's restaurants collectively spend nearly \$502.1 million dollars in Michigan's communities, or nearly \$1.4 million per day
- These restaurants returned more than 47 cents of every dollar they earned to their local economies
- Viewed differently, based on the population statistics for Michigan, McDonald's spent about \$49.75 per resident of the state

### **Ronald McDonald House Charities**

**\$954,165**

*(does not include the many donations individual franchisees make to the four houses in Michigan)*

- \$600,000 collected through donation boxes at Michigan restaurants
- \$354,165 collected in Michigan during National McHappy Day® Fundraiser
- Ronald McDonald Houses: Ann Arbor, Detroit, Grand Rapids, Lansing, and one coming to C.S. Mott Women's and Children's Hospital in 2012
  - Servicing 2,351 families, the majority of which are from Michigan
- \$773,966 in grants given to local Michigan organizations
- Local and national fundraisers

### **Additional Community Support**

McDonald's also supports give back to the community by supporting a number of local organizations, such as:

- NAACP
- Urban League
- Arab-American Anti-Discrimination Committee
- Michigan Hispanic Chamber
- Hispanic Business Association

*Source: Study conducted by Dennis H. Tootelian, Ph.D.  
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i'm lovin' it®

"At McDonald's,  
being a responsible  
company means  
living our values to  
enable us to serve  
food responsibly,  
and work toward a  
sustainable future."

- Jim Skinner,  
CEO McDonald's  
Corporation

# McDonald's® Corporate Responsibility

If all comes down to the food. That's where McDonald's begins and ends. The food we serve...how and where we serve it...the welfare of our employees and our suppliers' workers...where the food comes from...and so much more.

Being a responsible company is not an end game, but a never-ending journey. And so it is with McDonald's. Delivering responsible food – what it means and how we do it – is not just a goal, but a way of doing good business.

## McDonald's Supply Chain

McDonald's is in the food business, so we care a lot about where our food comes from and how it is produced. We work hard to ensure that every step of the supply chain contributes positively to the sustainability, safety and quality of our final products.



**THREE E'S:**  
**McDonald's Sustainable**  
**Supply Chain Vision**

## Above All, Safety First

The safety and well-being of our customers is our first priority. Our food safety standards meet, and often exceed, government requirements in markets where we do business.

**People in the McDonald's Supply Chain**  
We strive to work with suppliers who share our values. By adherence to our Code of Conduct for Suppliers, we expect our suppliers to share our support of fundamental rights for all people; to treat their employees with fairness, respect and dignity; and to follow practices that promote health and safety.

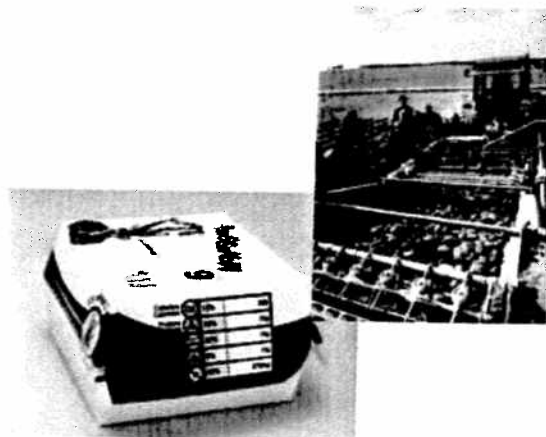


## Working to Ensure Humane Treatment of Animals

McDonald's approach is based on our Animal Welfare Guiding Principles, which express our commitment to ensuring animals are "free from cruelty, abuse and neglect." To ensure continuous improvement, we have a comprehensive audit program designed by animal welfare expert Dr. Temple Grandin.

## Keeping the Environment in Mind

McDonald's is committed to minimizing the environmental impact of our food and other products in the supply chain. We are working with our direct suppliers to measure and reduce water, energy, air and waste impacts through our Environmental Scorecard.



## Holistic Approach to Well-Being

McDonald's is committed to the well-being of our customers. We collaborate with our suppliers and independent owner/operators, to serve a balanced array of quality food products, and provide the information needed to make individual choices.

Customers can trust McDonald's to provide them with food that is real and made with high quality ingredients. For more than 30 years, McDonald's has been a leader in providing nutrition information to our customers via in-restaurant posters, brochures, trayliners, packaging and online. Happy Meal® Choices provide our youngest guests with an option of a small serving of fries or Apple Dippers, as well as a selection of beverage choices: soft drink, low fat white or chocolate milk or apple juice.



### Thinking and Acting Green for Over Thirty Years

McDonald's has been working to minimize our environmental footprint – both within our restaurants and in our supply chain – for a long time. Over 30 years ago, we initiated energy conservation measures, and in 1990, we formally established our Global Environmental Commitment. Since then, we've continued to seek ways to improve our environmental performance – not just because it's the right thing to do, but because it's smart business.

### Striving for Greater Energy Efficiency

McDonald's restaurants' use of electrical energy and natural gas accounts for the bulk of our direct greenhouse gas emissions. More efficient use of these resources helps us save money and reduces our environmental impact.

In 2007, McDonald's was recognized by the EPA with the Energy Star Partner of the Year program that resulted in approximately 200,000 ton decrease in CO<sub>2</sub> emissions and energy reduction in company-owned stores by more than 3.75 percent.



### More Sustainable Design

We are learning by doing, and exploring how greener building strategies impact economic and environmental performance. McDonald's opened its first company-owned green restaurant in August 2008 in Chicago, Ill. Targeted for LEED certification by the U.S. Green Building Council, some of the restaurants' many "green" features include Solatube skylights, recycled construction materials, permeable concrete paving, recycling stations for customers, low flow toilet and plumbing fixtures, and a vegetated green roof.

### Sustainable Packaging

At McDonald's, the environment is one of the key criteria that are considered in the process of developing food and beverage packaging. We take a comprehensive approach that considers a product's entire lifecycle. It starts with where we source our materials. Then we consider the design of our food packaging. Finally, we look at "end of life" options such as recycling, and other innovative means of disposal.



### Beyond the Food...People Matter

Embracing and empowering a diverse workforce has always been part of the McDonald's culture and continues to be a key ingredient of our success. Seeking to offer a compelling and attractive employment value proposition – from the restaurants to the corporate offices – is a business imperative.

- McDonald's has received recognition for our commitment to diversity and inclusion, including Fortune Magazine's "Top Companies for Minorities to Work" and Black Enterprise Magazine's "40 Best Companies for Diversity."
- McDonald's has been recognized as a "Top Company for Leaders" by Fortune Magazine.







McDonald's has  
a 50-year legacy  
of supporting the  
well-being and  
overall quality of  
life for children  
and families.



# McDonald's®

## Children's Well-Being Commitment



### Commitment #1:

Offer a variety of menu choices and provide nutrition information to help parents and families make informed choices

- McDonald's provides a number of menu choices including premium chicken sandwiches, premium salads, Snack Wraps, fresh fruit, a low-fat Fruit 'N Yogurt Parfait and beverage options like bottled water, apple juice and low fat milk.
- In 2004, McDonald's introduced Happy Meal® Choices, which offers parents the opportunity to combine an entrée with a choice of beverages, including 1% low-fat white or chocolate milk or apple juice, and to select Apple Dippers, instead of a small order of fries.
- In 1973, McDonald's became the first quick service restaurant company to provide nutrition information to customers.
- Nutrition information is available through the mcdonalds.com Web site, via our toll-free 800 number, on product packaging, on in-restaurant trayliners and through in-restaurant brochures.
- Our Happy Meal packaging also includes well-being messages and activities.

### Commitment #2:

Promote positive messages that support children's well-being

- McDonald's is proud of our long heritage of responsible communication with our customers, especially children. We continue to play a leadership role in the development of standards that govern our advertising.
- McDonald's is a charter member of the Council of Better Business Bureau's new Food and Beverage Advertising Initiative. Our pledge outlines our long-standing commitment to responsible communication and includes:
  - A commitment, that 100% of McDonald's USA national advertising to children under 12 will promote menu choices that fit within the 2005 USDA Dietary Guidelines for Americans.
  - McDonald's advertising that previously did not include a focus on food now features well-balanced choices, such as a 4-piece Chicken McNuggets® Happy Meal, Apple Dippers, Low Fat Caramel Dip and a Jug of 1% Low Fat White Milk.

- McDonald's will also limit its use of third-party licensed characters in paid advertising primarily directed to children under 12 to the promotion of "healthy dietary choices".

- McDonald's also actively participates in the Children's Advertising Review Unit (CARU)—the Council of Better Business Bureau's voluntary self-regulatory program for children's advertising – and is committed to communicating healthy lifestyle messages through its membership in the Ad Council's Coalition for Healthy Children.
- On HappyMeal.com, McDonald's offers fun and engaging games and learning activities that promote children's well-being.

### Leadership Well-Being Programs

- Since 2005, McDonald's has provided an innovative free-of-charge elementary school physical education program, Passport to Play®.
  - The program has reached approximately 36,000 elementary schools and provided hours of active educational play for an estimated 9 million children since its launch.
- The "Go Active® with Ronald McDonald®" community Show helps children learn how to find fun through active play and improvisation.
- The "A Friendship Adventure with Ronald McDonald™" engages children in songs, magic and games that help to deliver the important messages of friendship, cooperation, anti-bullying and active play.

### Commitment #3

Support Ronald McDonald House Charities® and other organizations that improve the lives of children.

- McDonald's is proud to support Ronald McDonald House Charities (RMHC®). Through World Children's Day™ and other local fundraising events as well as countless volunteer hours, McDonald's and our Owner/Operators are dedicated to RMHC and its mission to improve the lives of children through its three core programs: Ronald McDonald House®, Ronald McDonald Family Room® and Ronald McDonald Care Mobile®.
- McDonald's has contributed \$2 million to The Scripps Research Institute to address childhood obesity and Type 2 diabetes. The goal of the alliance is to further research and community education outreach that impact the overall well-being of America's children.



## Nutrition and Ingredient Quality Facts

McDonald's® is committed to providing your family with food choices made from real high-quality ingredients. With McDonald's Made For You® cooking system, orders can be customized to meet nutritional needs and taste preferences. A flexible menu and wide variety of sizes make it easy for our customers to create a range of meal combinations that fall within recommended guidelines for calories, fat and other nutrients.

### Nutrition

McDonald's offers a range of menu options to help meet your family's nutritional needs.

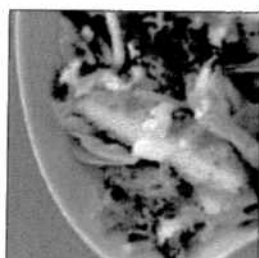
- McDonald's Happy Meals contain important nutrients that growing children need, such as protein, calcium, iron and vitamin C.
- Our Premium Salads provide approximately three USDA servings of vegetables.
- Our Asian Chicken Salad contains mixed greens, red bell peppers, edamame, snow peas, mandarin oranges, grape tomatoes and shaved carrots provide antioxidants and important vitamins and nutrients for growth and development.
- Bag-A-McMeal™ allows you to view nutrition information for your customized McDonald's meal, helping you meet your personal nutrition needs.

### Quality

McDonald's ensures that all the food and beverages we serve our customers meet our stringent food quality standards. We do business with suppliers that share this commitment and work with them to continuously monitor, test, and track our ingredients to assure quality.

High-quality food begins with high-quality ingredients, and McDonald's uses many of the same trusted ingredients you use at home, such as:

- Great-tasting 100% USDA-inspected beef, with no fillers or extenders
- Tender, juicy, high-quality white meat in Premium Chicken Sandwiches and Salads
- Real eggs in our Egg McMuffin® breakfast sandwiches
- A variety of field greens in our Premium Salads, provided by suppliers and prepared fresh daily in our restaurants
- Select potatoes from trusted potato farmers for our World Famous Fries®



For more information, including nutrition facts, visit [www.mcdonalds.com/qualityfood](http://www.mcdonalds.com/qualityfood).